



TRANSMITTAL OF APPEAL BRIEF (Large Entity)

Docket No.
DE919990102
3624

In Re Application Of: Hansmann et al.

Application No.	Filing Date	Examiner	Customer No.	Group Art Unit	Confirmation No.
09/745,818	12/21/2000	Lalita M. Hamilton	46369	3624	8692

Invention: EASY CHECK-OUT WITH ENHANCED SECURITY

COMMISSIONER FOR PATENTS:

Transmitted herewith ~~is the Appeal Brief~~ is the Appeal Brief in this application, with respect to the Notice of Appeal filed on February 4, 2005

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Signature

Dated: March 23, 2005

Kevin P. Radigan, Esq.
Registration No.: 31,789

HESLIN ROTHENBERG FARLEY & MESITI, P.C.
5 Columbia Circle
Albany, New York 12203
Tel: (518) 452-5600
Fax: (518) 452-5579

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Kevin P. Radigan

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Appellants: Hansmann et al.

Group Art Unit: 3624

Serial No.: 09/745,818

Examiner: Lalita M. Hamilton

Filed: December 21, 2000

Appeal No.:

Title: EASY CHECK-OUT WITH ENHANCED SECURITY

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Kevin P. Radigan
Kevin P. Radigan
Attorney for Appellants
Registration No. 31,789

Date of Signature: March 23, 2005

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Alexandria, VA 22313-1450

Brief of Appellants

Dear Sir:

This is an appeal from a final rejection, dated November 4, 2004, rejecting claims 1-24, all the claims pending in this application. This Appeal Brief is accompanied by a transmittal letter authorizing the charging of Appellants' deposit account for payment of the requisite fee set forth in 37 C.F.R. §1.17(c).

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Appellants' Brief is being filed after the effective date of the final BPAI Rules, September 13, 2004, and, therefore, the format and content of Appellants' Brief is in compliance with the requirements set forth in 37 CFR §41.37(c). If Appellants' Brief does not comply with the requirements set forth in 37 CFR §41.37(c), Appellants request notification of the reasons for noncompliance and the opportunity to file an amended brief pursuant to 37 CFR §41.37(d).

Real Party in Interest

This application is assigned to **International Business Machines Corporation** by virtue of an assignment executed by the co-inventors on December 5, 2000 and December 12, 2000; and recorded with the United States Patent and Trademark Office at reel 011424, frame 0552, on December 21, 2000. Therefore, the real party in interest is **International Business Machines Corporation**.

Related Appeals and Interferences

To the knowledge of the Appellants, Appellants' undersigned legal representative, and the assignee, there are no other appeals or interferences, which will directly affect or be directly affected by or have a bearing on the Board's decision in the instant appeal.

Status of Claims

This patent application was filed on December 21, 2000 with the United States Patent and Trademark Office. As filed, the application included twenty-four (24) claims, one (1) of which was an independent claim (i.e., claim 1).

In an initial Office Action dated July 7, 2004, claims 1-24 were rejected under 35 U.S.C. §102(b) as being anticipated by Boers et al. (U.S. Patent No. 5,637,846; hereinafter Boers). In Appellants' response mailed August 12, 2004, claims 1, 10, 14, 20 & 22-24 were amended.

In a final Office Action dated November 4, 2004, claims 1-24 were rejected under 35 U.S.C. §103(a) as being obvious over Boers in view of Brookner et al. (PCT Publication No. WO 99/66456; hereinafter Brookner). In Appellants' response mailed December 20, 2004, no claims were amended.

Appellants received an Advisory Action dated February 7, 2005, which indicated the response mailed December 20, 2004 did not place the application in condition for allowance and that Appellants' amendments were not entered as they raised new issues that would require further consideration and/or search.

In a telephonic interview with the patent examiner on February 7, 2005, Appellants pointed out that no claim amendments were submitted in Appellants' Response to Final Office Action mailed December 20, 2004 and, therefore, the Advisory Action was issued in error. In response, the patent examiner acknowledged that the Advisory Action dated February 7, 2005 was issued in error and indicated that a Supplemental Advisory Action would be forthcoming.

Appellants received a Supplemental Advisory Action, dated February 23, 2005, which indicated Appellants' response mailed December 20, 2004 did not place the application in condition for allowance.

A Notice of Appeal to the Board of Patent Appeals and Interferences was mailed on February 4, 2005. The Notice of Appeal was received at the United States Patent and Trademark Office on February 7, 2005. The status of the claims is therefore as follows:

Claims allowed – none;

Claims objected to – none;

Claims rejected – 1-24; and

Claims canceled – none.

Appellants are appealing the rejection of claims 1-24.

Status of Amendments

Appellants proffered no amendments responsive to the final Office Action dated November 4, 2004. The claims as set out in the Appendix include all prior entered claim amendments.

Summary of Claimed Subject Matter

In one aspect of the invention, Appellants claim a system (independent claim 1) that includes a contactless label chipcard attached to a product (see FIG. 3). The contactless label chipcard contains at least information identifying the product and payment status thereof, as well as a component for execution of an update of the payment status of the product. The system further includes a device for reading and initiating update of the payment status. This device includes a contactless reader for reading information stored in the contactless label chipcard, a component for generating an invoice based on the information received from the contactless label chipcard, a component for checking payment of the invoice, and a component for initiating an update of the payment status in the contactless label chipcard. The chipcard attached to the product contains payment status information (e.g., PAID or UNPAID) which can be checked when the product is being removed from a store. (See, e.g., page 8, line 5 – page 14, line 7).

Appellants further claim a contactless label chipcard (e.g., dependent claims 2 & 13) for use in a system as recited in independent claim 1 comprising at least the following information: Label ID; Product ID; Payment status PAID or NOT PAID; and Authentication Key. (See, e.g., FIG. 3, and page 12, lines 7-16).

In another aspect of the invention, Appellants claim a method (dependent claim 15) and storage device (dependent claim 22) for executing payments in a system as recited in independent claim 1 comprising the steps of: Detecting presence of a contactless label chipcard in the range of the contactless reader; Requesting product information from the detected label chipcard; Storing product information in a memory of the device; Repeating aforementioned steps for all label chipcards detected in the range of the contactless reader; Generating invoice based on the information stored in the memory; Execution of payment and examination of validity of the payment; Sending “RequestSetPaid” with authentication protocol information by the component for initiating update of the payment status via the contactless reader to a selected label chipcard if the payment was valid; Execution of the “RequestSetPaid” on the selected label chipcard by the component for execution the update of the payment status when the authentication protocol information provided with the “RequestSetPaid” is identical with the authentication protocol information generated by the label chipcard; Repeating execution step for

all articles or products covered by the invoice; and inactivating the warning system. (See, e.g., FIG. 5, and page 14, line 8 – page 17, line 2).

Ground of Rejection to Be Reviewed On Appeal

1. Whether claims 1-24 were rendered obvious under 35 U.S.C. §103(a) to one of ordinary skill in the art by Boers in view of Brookner.

Argument

Rejection under 35 U.S.C 103(a) over US Patent No. 5,637,846 (to Boers) in view of PCT Publication No. WO 99/66456 (to Brookner)

A. Claims 1, 5-12 & 14:

Reversal of the rejection to claims 1, 5-12 & 14 as obvious over Boers in view of Brookner is respectfully requested.

Appellants request reconsideration and withdrawal of the obviousness rejection to all claims on the following grounds: (1) the final Office Action has misinterpreted the teachings of the Boers patent, and the teachings of the Brookner patent, thus voiding the underlying basis for the rejection; (2) the justification for combining the documents is deficient; (3) the documents themselves lack any teaching, suggestion, or incentive for their combination; and (4) the combination, to the extent characterized in the final Office Action, is a hindsight reconstruction of the claimed invention using Appellants' own disclosed subject matter.

Boers discloses a method and apparatus for electronic payment by a client in a self-service store. The client himself registers articles selected by him with a hand-held scanner. The store includes a read out station for reading out the articles registered with the hand-held scanner. (See abstract).

Appellants respectfully submit that Boers does not teach or suggest their recited system wherein a contactless label chipcard is attached to a product and contains information identifying the product and payment status thereof, let alone a component to facilitate execution of an update of the payment status of the product, or a device for reading and initiating update of the payment status on the contactless label chipcard attached to the product.

The final Office Action provides no explanation regarding the application of Boers; however, at page 3 of the first Office Action, Col. 4, lines 1-14 of Boers are cited for allegedly teaching Appellants' recited contactless label chipcard attached to a product which contains information identifying the product and payment status thereof. This characterization of the teachings of Boers is respectfully traversed.

Col. 4, lines 1-14 of Boers state:

... scanners, arranged near the entrance 4 of the store. The scanners are of a generally known type and each comprise, for instance, a scanning head which can be manually brought close to a code provided on the articles, for the code to be read and subsequently stored in a memory of the scanner. For the purpose of coding articles, typically use is made of a barcode provided on the articles. For that purpose the scanner may be provided with an optical scanning head to enable the codes to be read. This, however, is by no means essential to the invention because in principle other types of systems for coding the articles can be used as well, e.g., magnetic codes, binary codes stored in chip and other current systems.

The scanner referred to in these lines is a portable scanner, i.e., a hand-held scanner, which is used to read the identification codes provided on the articles. The scanner discussed in Boers is not attached to the product itself, but rather is used, for example, as a portable optical scanning device. Magnetic coding and binary coding are also referenced in these lines. Appellants respectfully submit that a careful reading of Boers fails to uncover any discussion of a contactless label chipcard that is attached to a product and contains at least information identifying the product and payment status thereof. Further, Appellants respectfully submit that a careful reading of these lines, as well as the balance of Boers, fails to uncover any teaching or suggestion of a component within a contactless label chipcard which facilitates updating of the payment status therein of the product. This aspect of Appellants' recited invention is simply missing from Boers, as acknowledged by the final Office Action at the bottom of page 2.

Appellants further recite a device for reading and initiating update of the payment status which includes, in part, a component for checking payment of the invoice, and a component for initiating updating of the payment status in the contactless label chipcard. In Appellants' invention, the payment status is held in the contactless label chipcard attached to the product, and is updated by the device when, for example, a client purchases the product from a store.

Brookner is cited for allegedly teaching a method and corresponding system for generating indicia indicative of payment comprising a component for initiating update of payment status in a contactless label. This characterization of the teachings of Brookner and its applicability to Appellants' claimed invention are respectfully traversed.

Brookner describes a payment system which includes a label device (103), and Postal Security Device (PSD) (130), which stores postal funds for dispensing which may be replenished via electronic funds transfer. For example, the payment system performs functions other than just dispensing postal funds, such as dispensing lottery tickets. In the case of dispensing postal funds, label device (103) is programmed to generate indicia (104) onto label stock (403) which serves as proof of postage after deducting the corresponding postage amount to be dispensed from the postal funds stored in the PSD. In the case of dispensing lottery tickets, the label device is programmed to connect to a lottery server over a communications network and to transmit transaction data concerning the selected lottery numbers, payment for the lottery entry, etc., to the lottery server. Accordingly, the payment system deducts the payment amount corresponding to the lottery entry from the postal funds stored in the PSD. In return, the payment system receives, from the lottery server, data concerning indicia. Label device (103) then uses the received data to print indicia on label stock, thereby producing a lottery ticket. (See Abstract of Brookner.)

In addition to the abstract, the Office Action cites page 2, line 19 to page 3, line 7 of Brookner, and characterizes these teachings as "... a method and corresponding system for generating indicia indicative of payment comprising a component for initiating update of the payment status in the contactless label" (emphasis added). Appellants respectfully traverse the characterization that any payment status in a "contactless label" is updated by Brookner. Clearly, Brookner does not teach a contactless label chipcard such as recited by Appellants. Further, there is no "contactless label" attached to a product in Brookner. The label device which prints indicia, such as postal indicia, on a roll of label stock simply comprises a device for printing stickers or postage, which are then applied to an envelope or package to be mailed. There is no recording of payment status of a product in a contactless label attached to the product, let alone a contactless label chipcard attached to a product as recited by Appellants. The proof of payment system of Brookner is simply non-applicable to Appellants' claimed contactless label chipcard attached to a product containing at least information identifying the

product and payment status thereof. In Brookner, the label printing device communicates with the PSD to account for payment, i.e., postage dispensed, before the postage indicia is printed on the label stock. Again, the label stock simply comprises stickers and would therefore not equate to a contactless label chipcard or even a contactless label that is attached to a product and contains information identifying the product and payment status thereof. Appellants respectfully submit that to assert otherwise misconstrues the teachings of Brookner.

Further, Appellants strenuously traverse the combinability of Brookner with Boers. The justification given for the combination in the final Office Action is the following language at page 3:

It would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate a component for initiating update of the payment status in the contactless label, as taught by Brookner into the invention disclosed by Boers, to ensure that products that have been purchased have been paid for prior to exiting the store.

Noticeably absent from this justification is any express teaching, suggestion or incentive identified in the art for making the proposed combination. Hindsight is always perfect and it is insufficient to prove at the time of the claimed invention, that the separate elements of the system were present in the known art. Rather, there must have been some explicit teaching or suggestion in the art to motivate one of ordinary skill in the art to combine the elements so as to create the same invention.

The above-repeated justification does not identify a teaching, suggestion or incentive in the art to combine the references as required by law. The justification is simply a restatement of the alleged result of the combination, rather than a reason for the combination drawn from the prior art or from the knowledge available to one of ordinary skill in the art.

Still further, upon a review of the applied patents, there is no teaching, suggestion or incentive for the combination. Boers teaches a technique for electronic payment by a client in a self-service store, wherein the client registers articles selected using a hand-held scanner, and a read-out station is then employed for reading out the articles registered by the hand-held scanner. In contrast, Brookner generates indicia indicative of payment using postal funds, which is printed onto a roll of label stock, e.g., postal stickers, and which would then be applied to an envelope or

package to be mailed. In Appellants' claimed invention, a component is provided for initiating update of the payment status in the contactless label chipcard attached to the product. The physical labels of Brookner simply do not describe or suggest this functionality. Even if one were to combine Brookner with Boers, Appellants respectfully submit that the result would simply be the manual affixing of a printed sticker to each product purchased via the Boers system.

Yet further, the justifications provided in the final Office Action for the combination offer no technical basis outside that contained in Appellants' own specification. The justification merely asserts the results of a proposed combination in hindsight. Thus, the rejection violates the well-known principle that Appellants' own disclosure cannot be used as a reference against them.

The consistent criterion for the determination of obviousness is whether the prior art would have suggested to one of ordinary skill in the art that the claimed invention should be carried out and would have a reasonable likelihood of success, viewed in light of the prior art. Both the suggestion and the expectation of success must be found in the prior art, not in the Appellants' disclosure. In re Dow Chemical Company, 837 F.2d 469, 473, 5 U.S.P.Q. 2d 1529, 1531 (Fed. Cir. 1998) (multiple citations omitted). The combination at issue simply restates the alleged results of the combination, and is therefore using Appellants' own disclosure, rather than an identified basis in the prior art, to combine the documents, in violation of this well-known principle. This is yet another, independent reason why the current invention is not obvious.

For the above reasons, Appellants respectfully request reversal of the obviousness rejection to independent claim 1, as well as all dependent claims.

B. Claims 2-4 & 13:

Appellants' claims 2 & 13 further specify that the label chipcard contains payment status PAID or NOT PAID. Lines 1-30 of Col. 4 of Boers (cited in the initial Office Action) do not disclose or suggest the attachment of a label chipcard to a product that contains such detailed information. Again, the scanner discussed at these lines comprises a portable scanner that is used to read the identifying information on all the various products themselves being purchased and then is used at a read-out station to download that collected information for further

processing. Boers does not describe or suggest any system wherein a contactless label chipcard is attached to a product, *per se*, let alone one which contains specific payment status information PAID or NOT PAID. Column 5, lines 1-65 of Boers are also cited at page 4 of the first Office Action in connection with these claims. These lines discuss use of a payment card, such as a bank card, a giro card, or a credit card. Appellants respectfully submit that there is no discussion or suggestion in the cited lines for a contactless label chipcard attached to a product having the information and functionality recited in their presented claims.

For these reasons, as well as for the reasons stated above in connection with independent claim 1, Appellants respectfully request reversal of the obviousness rejection to dependent claims 2-4 & 13.

C. Claims 15-24:

Appellants' dependent claim 15 recites a method for executing payments in a system such as recited in claim 1. This method includes, in part, sending "RequestSetPaid" with authentication protocol information by the component for initiating update of the payment status via the contactless reader to a selected label chipcard if the payment was valid, and execution of the "RequestSetPaid" on the selected label chipcard by the component for updating the payment status when the authentication protocol information provided by the "RequestSetPaid" is identical with the authentication protocol information generated by the label chipcard. Thus, in Appellants' method, the contactless label chipcard attached to the product is updated with the sending and the execution of the "RequestSetPaid" occurring upon valid payment for the product. With respect to this subject matter, the initial Office Action cited lines 1-30 of column 4 of Boers, as well as column 5, lines 1-65. Again, Appellants respectfully submit that these cited lines of Boers are simply not relevant to their recited invention. The scanner discussed in Boers at column 4 is used to read the identifying information from all the various products being purchased, and is then used at a read-out station to download the collected information for further processing. Boers does not describe or suggest any system where a contactless label chipcard is attached to a product *per se*, let alone one which contains specific updated payment status information. In Appellants' claim 15, this updated payment status is achieved by sending a "RequestSetPaid" and executing the "RequestSetPaid" on the selected label chipcard itself. Column 5, lines 1-65 of Boers simply discusses the use of a payment card, such as a bank card,

giro card, or a credit card. There is no discussion or suggestion in the cited lines for a contactless label chipcard attached to a product having the information and functionality recited in the claims at issue.

For this additional reason, Appellants respectfully request reversal of the obviousness rejection to dependent claims 15-24.

Conclusion

Appellants respectfully request reversal of the §103(a) rejections of claims 1-24 as set forth in the final Office Action. Appellants submit that: (1) the final Office Action has misinterpreted the teachings of the Boers patent, and the teachings of the Brookner patent, thus voiding the underlining basis for the rejection; (2) the justification for combining the documents is deficient; (3) the documents themselves lack any teaching, suggestion, or incentive for their combination; and (4) the combination, to the extent characterized in the final Office Action, is a hindsight reconstruction of the claimed invention using Appellants' own disclosed subject matter.

Accordingly, reversal of the obviousness rejection to claims 1-24 is respectfully requested.



Kevin P. Radigan
Reg. No. 31,789
Attorney for Appellants

Dated: March 23, 2005

HESLIN ROTHENBERG FARLEY & MESITI P.C.
5 Columbia Circle
Albany, New York 12203-5160
Telephone: (518) 452-5600
Facsimile: (518) 452-5579

Appendix

1. System comprising:

a contactless label chipcard attached to a product containing at least information identifying said product and payment status thereof, and a component for execution of an update of the payment status of said product

a device for reading and initiating update of the payment status comprising at least:

a contactless reader for reading information stored in said contactless label chipcard

a component for generating an invoice based on said information received from said contactless label chipcard

a component for checking payment of said invoice

a component for initiating update of the payment status in the contactless label chipcard.

2. System according to claim 1, wherein said label chipcard contains following information:

Label ID

Product ID

Payment status PAID or NOT PAID

AuthenticationKey.

3. System according to claim 2, wherein said label chipcard additionally contains product price information.

4. System according to claim 2, wherein said information are stored in the non-volatile memory of said label chipcard.

5. System according to claim 1, wherein said contactless reader comprising at least a component for sending to and receiving information from said label chipcard.

6. System according to claim 5, wherein said contactless reader uses inductive coupling for data transmission.

7. System according to claim 1, wherein said contactless label chipcard comprises at least a component for sending to and receiving information from said contactless reader.

8. System according to claim 7, wherein said contactless reader comprises at least a component for sending to and receiving information from said label chipcard, said contactless reader further comprising a generator for generating a RF-field whereby said contactless reader and said contactless label chipcard uses said RF-field for data transmission.

9. System according to claim 1, wherein said component for generating an invoice has access to enterprise data not contained in said label chipcard for generating an invoice.

10. System according to claim 1, wherein said device for reading and initiating the update of the payment status further comprises:

a data processing device with non-volatile memory for storing said component for checking the payment of said invoice and said component for initiating the update of the payment status in said contactless label chipcard

a data connection between said data processing device and said reader

a display device for displaying invoice information

a warning device for detecting not paid products.

11. System according to claim 10 further comprises:

a contact card reader as payment means

a contactless card reader as payment means.

12. System according to claim 10, wherein said device for reading and initiating the update of the payment status is part of a check-out system.

13. Contactless product label chipcard for use in a system according to claim 1 comprising at least:

a component for sending to and receiving information from a contactless reader

a non-volatile memory containing at least following information:

Label ID

Product ID

Payment status PAID or NOT PAID

AuthenticationKey

a component for execution of the update of the payment status by means of authentication.

14. A device for reading and initiating payment status for use in a system according to 1 comprising at least:

a contactless reader for reading information stored in said contactless label chipcard

a component for generating an invoice based on said information received from said contactless label chipcard

component for initiating update of the payment status on said label chipcard

a data processing device for storing said component for checking the payment of said invoice and said component for initiating update of the payment status in said contactless label chipcard

a data connection between said data processing device and said reader

- a display device for displaying invoice information
 - a warning device for detecting not paid products.
- 15. Method for executing payments in a system as claimed in claim 1 comprising the steps of:
 - Detecting presence of a contactless label chipcard in the range of the contactless reader
 - Requesting product information from said detected label chipcard
 - Storing product information in a memory of said device
 - Repeating aforementioned steps for all label chipcards detected in the range of said contactless reader
 - Generating invoice based on said information stored in said memory
 - Execution of payment and examination of validity of said payment
 - Sending “RequestSetPaid” with authentication protocol information by said component for initiating update of the payment status via said contactless reader to a selected label chipcard if the payment was valid
 - Execution of said “RequestSetPaid” on said selected label chipcard by said component for execution the update of the payment status when the authentication protocol information provided with said “RequestSetPaid” is identical with the authentication protocol information generated by said label chipcard
 - Repeating execution step for all articles or products covered by the invoice
 - Inactivating said warning system.
- 16. Method according to claim 15 wherein said product information contains a product identification ID and/or a product price information.

17. Method according to claim 16 wherein said product price information can be changed by an authorized device.

18. Method according to claim 15 wherein said invoice is generated with further product data identified by means of said information provided by said label chipcard.

19. Method according to claim 15 wherein the execution of payment is supported by an user interface with different option of payment.

20. Method according to claim 15 wherein the step of detecting presence of the label chipcard comprises the further steps:

detecting presence of a contactless payment chipcard in the range of the contactless reader

offering use of the detected contactless payment chipcard for performing the payment.

21. Method according to claim 15 wherein said authentication protocol information is a digital signature or a MAC.

22. Computer program product stored in the internal memory of a computer containing parts of software code for performance of the method according to claim 15.

23. Computer program product stored in the internal memory of a computer containing parts of software code for performance of the method according to claim 17.

24. Computer program product stored in the internal memory of a computer containing parts of software code for performance of the method according to claim 20.

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